

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION

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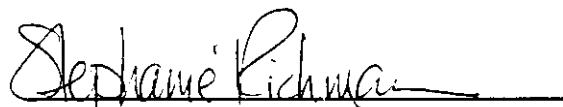
DOCKET NO. R97-1

INTERROGATORIES OF UNITED PARCEL SERVICE TO PARCEL SHIPPERS ASSOCIATION WITNESS JELLISON (UPS/PSA-T1-1 through 11)

(January 20, 1998)

Pursuant to the Commission's Special Rules of Practice, United Parcel Service hereby serves the following interrogatories and request for production of documents directed to Parcel Shippers Association witness Jellison (UPS/PSA-T1-1 through 11).

Respectfully submitted,



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Of Counsel.

**INTERROGATORIES FROM UNITED PARCEL SERVICE
TO PARCEL SHIPPERS ASSOCIATION WITNESS JELLISON**

UPS/PSA-T1-1. Please refer to page 19 of your testimony. In the first full paragraph on that page, you note that your analysis of the impact of your pricing proposal makes "several unrealistic assumptions," such as the unresponsiveness of volume to price changes.

(a) Assume the Commission adopted your recommended approach and kept Parcel Post rates constant. Do you agree that the lower price, relative to the prices proposed by the Postal Service, would result in higher Parcel Post volume than currently estimated by the Postal Service?

(b) If your answer to part (a) is "yes," do you agree that the higher volume would result in costs higher than those shown on line 4 of Table 1? If not, please explain.

UPS/PSA-T1-2. Please refer to line 11 of the first paragraph on page 2 of your direct testimony. Please define "market dominance" as you use the term there.

UPS/PSA-T1-3. Please refer to the last sentence of the first paragraph on page 2 of your direct testimony.

(a) Please define "market dominance" as you use the term there.

(b) What factors, in your opinion, result in the "long term" being different from the "short term"?

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(c) Is it your opinion that only the "short term" is competitively significant? If your answer is "yes," please explain why. If the answer is "no," please explain why not.

UPS/PSA-T1-4. Please refer to page 3 of your testimony. Please confirm that the following calculations are correct:

	Parcel Shippers Association Survey Volume Figures (in thousands of parcels and percent)			
	<u>Postal Service</u>	<u>UPS</u>	<u>Total</u>	<u>Percent Postal</u> <u>Service</u>
Standard A	348,610	8,405	357,015	97.6
Standard B	124,522	127,596	252,118	49.4
Total	473,132	136,001	609,133	77.7

UPS/PSA-T1-5. Please refer to page 3 of your testimony, at the third bullet point. What carrier delivered the 58 million pieces of bound printed matter shipped by your members? If more than one carrier handled the bound printed matter, how much did each carrier handle?

UPS/PSA-T1-6. On page 1 of your testimony, in the last paragraph you state that PSA's members use, in addition to the Standard (A) and Standard (B) mail offerings of the Postal Service, the Priority Mail and Express Mail services of the Postal Service.

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(a) Why did the survey discussed in your testimony not inquire about Priority Mail and Express Mail services?

(b) How many packages do PSA members ship by Priority Mail or Express Mail?

(c) How many packages that could be shipped by Express Mail or Priority Mail do PSA members ship by other carriers? Which carriers are used?

UPS/PSA-T1-7. Please refer to page 4 of your testimony, at the first bullet point.

(a) Please confirm that, of the members who responded to your survey, about 68.6 percent use both the Postal Service and UPS to ship their packages.

(b) On a volume weighted basis, what percent of PSA member shipments are made by companies that use both the Postal Service and UPS?

UPS/PSA-T1-8. Please refer to page 4 of your testimony, at the third bullet point.

(a) Which carriers are used by the 16 members who reported shipping parcels by a carrier other than the Postal Service and UPS?

(b) To what do you attribute the increase in utilization of carriers other than UPS and the Postal Service?

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(c) For these 16 members, how much volume is shipped through carriers other than UPS and the Postal Service?

UPS/PSA-T1-9. Please refer to page 7 of your testimony, at the second full paragraph. You state that the Postal Service has a 49 percent market share. Please confirm that this is 49 percent of Standard (B) volume.

UPS/PSA-T1-10. Please refer to the last full sentence on page 7 of your testimony. Please explain why the fact that 35 of your members shipped 124,522,000 parcels by the Postal Service is "significant."

CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with section 12 of the Commission's Rules of Practice.


Stephanie Richman

Dated: January 20, 1998
Philadelphia, PA